SCHOOL FINANCE MEMORANDUM 18-019

State of Arizona
Department of Education

TO: Superintendents, District Business Managers, Charter Business Managers, Charter Holders, and Administrators

FROM: Lyle Friesen, Deputy Associate Superintendent of School Finance

DATE: September 18, 2017

SUBJECT: School Finance Updates

SDER Application Now Available

The School District Employee Report (SDER) On-Line Application is currently available and ready to accept employee data. This application is accessible through Common Logon. Note that you must submit your SDER by 4:30 p.m. on October 16, 2017
If you have additional questions, please contact SFAnaylstTeam@azed.gov

Important Reminder: Reconcile ADE AzEDS Data to your SIS Data

Remember to reconcile the data that is in your student information system (SIS) with the data in AzEDS. Funding for future payments will be determined by the data that is in AzEDS, not your SIS. If there is a discrepancy in the data, the data in AzEDS will be used for your funding for future payments. Data should be reconciled monthly, at a minimum.

Here are a few reports to review on a regular basis:
- AzEDS Data Verification Reports (STUD10, STUD15)
- Student Integrity Status Report (INTEG15)
- Post ACE Reports (ADM15)

These reports can all be found within your AzEDS portal via ADE Connect.

If you need assistance with how to reconcile your AzEDS reports, please reach out to SFAnalystTeam@azed.gov. Please visit our website for additional resources and trainings, such as the following sessions:
- Wednesday Workshops: http://www.azed.gov/finance/wednesday-workshops/
- School Finance Fridays: http://www.azed.gov/finance/school-finance-fridays/

Dropout Recovery Program

All Dropout Recovery Program data should now be sent via a SIS to AzEDS.

Reminder: Guidelines for Requesting a 15-915

If your district is planning on requesting a Prior Year Corrections to State Aid or Budget Capacity (ARS§15-915), be aware that the guidelines have been updated since 08/20/2015. Prior to submitting your request, please review the guidelines to ensure that your request is complete. Beginning FY2018, we will only accept data revisions for FY2017, FY2016 and FY2015.

If you have additional questions, please email SFAnalystTeam@azed.gov .

Payment Updates

FY2018:

- **Student Counts**: The September 1, 2017 apportionment has been based on FY2017 ACE results as of July 14, 2017. If you have questions or concerns regarding the student counts, please contact the account analyst team. The analyst team may be reached at SFAnalystTeam@azed.gov We will switch to current year counts for the October 1 payment.

- **State Aid Rollover**: Pursuant to Laws 2016, Chapter 124, Section 14, the Arizona Department of Education shall defer, until July 1, 2018 but no later than July 12, 2018, $930,727,700 of the basic state aid and additional state aid payment that otherwise would be apportioned to school districts during fiscal year 2017-2018. The FY18 rollover amounts were included beginning in the August 1 payment APOR64-1.

- **Transportation Support Level (TSL)**: Route miles from FY2017 were reflected in the September 1, 2017 equalization calculation. Please check your comparative miles report (TRAN40-2) if your route miles do not match your route report. Please email the account analyst team if you have any questions or concerns regarding this report.

- **Additional State-Aid**: The FY2017 Additional State Aid amounts have been used in lieu of FY2018 amounts. These amounts will be updated once we receive the updated Additional State Aid figures for FY2018 from the Department of Revenue, which we expect to receive by October 2017.

- **Assessed Valuations**: Tax Year 2017 values by district and county were used in the calculation of state aid in FY2018 beginning with the August 1, 2017 apportionment. These values are provided by the AZ Department of Revenue.

- **SRP Voluntary Contributions**: SRP amounts are rolled over from Tax Year 2016; these amounts will be updated once we receive the Tax Year 2017 voluntary contribution figures from SRP, which we expect to receive by the end of October 2017.

- **GPLET Value**: Tax Year 2016 values by district were used in the calculation of state aid in FY2018 for the September 1, 2017 apportionment. These values will be updated when the Tax Year 2017 values are provided by the Counties. We expect these to be included in January 1, 2018 apportionment.

- **County Equalization Tax Rate**: The county equalization tax rate established pursuant to A.R.S. § 15-994 is in effect for FY2018, and was included in the APOR 59-1 and APOR 64-1 calculations beginning with the August 1, 2017 apportionment payment.

- **District Additional Assistance Reductions**: The preliminary DAA reductions have been included and are shown on page 5 of the APOR 55-1. A list may be found under SF hot topics here: http://www.azed.gov/finance/2017/07/24/fy2018-district-additional-assistance-daa-reductions/

- **K-3 Reading**: In order to receive funding, all districts must now submit a plan to the State Board of Education for approval. K-3 reading funding will be released once we receive approval from the State Board of Education.

- **The Fiscal Year 2017 Statewide Equalization Recalculation has been completed**.
  - **District**
    The positive adjustments have been included in the September 1st payment through the APOR64-1 report. Positive adjustments will be included as lump sum adjustments; whereas the negative adjustments will be taken over the entire fiscal year, 3/12ths taken in October and 1/12th each payment thereafter.
  - **Charter**
    The positive adjustments have been included in the September 1st payment through the CHAR64-1 report as a lump sum adjustment. The negative adjustments will be taken over the entire fiscal year, 3/12ths taken in October and 1/12th each payment thereafter.

- **CHAR Audit Expense Adjustment:** All adjustments have been included in your September 1, 2017 apportionment based on your submitted adopted budget as of July 30, 2017. The chart below outlines the locations in which reporting by the **Charter District** may have been required:

Adjustment	Source	Location	Cell
Audit Expense	2018 Expenditure Budget	Page 2	N26
	2018 Budget Worksheet	Worksheet C	F15
	2016 Annual Financial Report	Page 7	G17

- **APOR Audit Expense Adjustment and Type 03 High School Tuition:** All adjustments have been included in your September 1, 2017 apportionment based on your submitted adopted budget as of July 30, 2017. The chart below outlines the locations in which reporting by the **District** may have been required:

Adjustment	Source	Location	Cell
Audit Expense	2018 Expenditure Budget	Page 2	O8
	2018 Budget Worksheet	Worksheet C	J47
	2016 Annual Financial Report	Page 8	O21
Type 03 Tuition	2018 Budget Worksheet	Worksheet E	K12
	2018 Budget Worksheet	Worksheet E	K22
	2018 Budget Worksheet	Worksheet G	J41

Budget Update

Reminder: K-3 Reading Budget and AFR Forms are due 10/01/2017 for LEAs that Receive K-3 Reading Funding

The FY 2018 K-3 Reading budget and FY 2017 K-3 Reading AFRs can be downloaded at Charter | District.

The completed files must be uploaded via the Common Logon by October 1, 2017.

Preliminary FY 2018 BUDG25 Reports Posted

The September FY 2018 BUDG25 reports have been posted.

This preliminary 2018 BUDG25 is based on;

- 2017 ADM was used for the vast majority of districts until 10/01/2017 at which time current year 2018 ADM will be used. There is an alert at the top of the report stating if 2017 ADM or 2018 ADM was used.
- APOR 55-1 with a run date of 8/16/2017 (Apportionment Date; 09/01/2017)
- PROP123 $50 Million Additional Funding district allocations is estimated as being equal to FY2017 at this point
- Budgets that have successfully processed through 2017-08-30
- K3 Reading Impact on RCL Alert
  - In order to receive funding, all districts must now submit a plan to the State Board of Education for approval. K-3 reading funding will be released once we receive approval from the State Board of Education.
  - K3 Reading funding is not included in the RCL of this report
  - Contact the Move On When Reading (moveonwhenreading@azed.gov ; 602-364-2355) with questions regarding the district's plan and/or when it is scheduled for review

To download and review a specific entity's budget reports, select the district name after clicking here.

General Updates

Email Distribution:

If you are not receiving updates via email and you would like to, please email schoolfinance@azed.gov with your name, email, school and position. If you have more than one person you would like to receive emails, please include their information as requested above. If you have any questions, please email schoolfinance@azed.gov or call 602-542-5695

School Finance Hot Topics

Keep informed of upcoming events, deadlines and system updates by bookmarking our Hot Topics webpage and checking it often. All updates published by School Finance can be found on this page (http://www.azed.gov/finance/category/hot-topics/). These same Hot Topics can also be found on our home page at http://www.azed.gov/finance/.

Questions?

If you have any questions regarding these updates, please do not hesitate to contact the following individuals relating to these areas:

1) **General Updates:** Email schoolfinance@azed.gov
2) **AzED/SAIS/ADM, SDER, and Transportation**: Email the School Finance Operations team at SFAnalystTeam@azed.gov
3) **Payment**: Email the School Finance payment team at SFpaymentteam@azed.gov
4) **Budget**: Email the School Finance budget team at SFBudgetTeam@azed.gov .

Other Areas within ADE

- **Title I**, **Maintenance of Effort, Stephanie Washington** Stephanie.Washington@azed.gov, Education Program Specialist Tel: (602) 542-7466
- **ESS, Maintenance of Effort**, ESSFunding@azed.gov, 602-542-3851
- **ADE Support**, 602-542-7378, option 1or 1-866-577-9636, option 1
- **Grants Management** –Toll Free (844) 893-9789 or locally (602) 542-3901

Please let us know what we can do to better assist you. Send your suggestions to SchoolFinance@azed.gov and in the subject line type SUGGESTIONS.